



Department of Justice

FOR IMMEDIATE RELEASE
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**JUSTICE DEPARTMENT REQUIRES SELL OFF OF SALT ASSETS
IN SETTLEMENT WITH SALT PRODUCERS CARGILL AND AKZO**

**State Attorneys General from New York, Pennsylvania, Ohio
Join in Settlement**

WASHINGTON, D.C. -- The Department of Justice and three State Attorneys General reached a settlement today with two of the nation's largest salt producers--Cargill Inc. and Akzo Nobel N.V.--allowing the \$160 million merger to proceed if Cargill sells off deicing salt assets and a New York food-grade salt plant.

The Department's Antitrust Division and State Attorneys General from New York, Pennsylvania and Ohio said that a merger of Cargill and Akzo would substantially reduce competition in two markets--the bulk deicing salt market in the Northeast interior of the country and the food-grade evaporated salt market east of the Rocky Mountains.

Joel I. Klein, Acting Assistant Attorney General in charge of the Department's Antitrust Division, said, "From the dinner table to icy roads and sidewalks, salt is critical to our everyday life. Without this divestiture, taxpayers and consumers would have suffered increased prices for these essential products."

Deicing salt is medium or coarse grade rock salt bought by state and municipal governments in bulk for use in melting snow and ice on public roads. Food grade evaporated salt is a highly refined, extremely pure salt that meets Food and Drug Administration standards for human consumption. It is added during food processing as a preservative and flavor enhancer for a wide variety of baked, frozen, dried and canned foods and snacks, everything from apple pie to canned zucchini.

The complaint and proposed settlement were filed today in federal district court in Rochester, New York by the Department's Antitrust Division and State Attorneys General from New York, Pennsylvania and Ohio.

Cargill and Akzo are two of only four producers of bulk deicing salt in the \$100 million Northeast interior market--an area that includes Rochester, Syracuse, and Buffalo, New York; Erie, Pennsylvania; and Burlington, Vermont.

The companies are the second and third leading producers of food grade evaporated salt in the \$200 million market east of the Rocky Mountains.

Under the proposed consent decree, which must be approved by the court, Cargill and Akzo will divest assets necessary to ensure continued bulk deicing salt competition in the interior Northeast.

Cargill will sell to American Rock Salt Co., a prospective new entrant, a mammoth stockpile of bulk deicing salt in Retsof, New York, a four year salt supply contract from the Cargill and Akzo mines, and numerous salt depots for storage and

transshipment of salt to customers. These divestitures will create immediate competition while American Rock Salt builds a new mine in Hampton Corners, New York.

To alleviate the competitive effects of the combination in the food-grade salt market, Cargill will divest Akzo's Watkins Glen, New York plant, which makes food-grade evaporated salt.

Cargill Inc., is a privately held company headquartered in Wayzata, Minnesota. It is purchasing the U.S. salt subsidiary of Akzo Nobel N.V., Akzo Nobel Salt Inc., which is located in Clarks Summit, Pennsylvania. Akzo Nobel N.V. is based in Arnhem, The Netherlands.

As required by the Tunney Act, the proposed consent decree will be published in the Federal Register, together with the Department's competitive impact statement. Any person may submit written comments concerning the proposed consent decree during a 60-day comment period to J. Robert Kramer, II, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, Suite 3000, 1401 H Street, N.W., Washington, D.C. 20530 (202) 307-0924. At the conclusion of the 60-day comment period, the federal district court in Rochester may enter the consent decree upon finding that it serves the public interest.

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